

COUNCIL WORK MINUTES
AUGUST 6, 2014

The City Council held a work meeting on Wednesday, August 6, 2014, at 6:07 p.m., in the Council Chambers, 10 North Main Street, Cedar City, Utah.

MEMBERS PRESENT: Mayor Maile Wilson; Councilmembers: Ron Adams; John Black; Paul Cozzens; Don Marchant; Fred Rowley.

STAFF PRESENT: City Manager Rick Holman; City Attorney Paul Bittmenn; City Engineer Kit Wareham; Finance Director Jason Norris; City Recorder Renon Savage; Police Lt. Keith Millett; Fire Chief Paul Irons; Leisure Services Director Dan Rodgerson; Senior Engineer Jonathan Stathis; Airport Manager Russ Volk; Events Director Byron Linford.

OTHERS: Betsy Carlile, Robert Cos, Tom Jett, Todd Prince, Rich Gillette, Kerry Fain, Terry Irons, Mauri Bleazard, Kay Kimball, Quinttin Reynolds, Tyler Brown, Linda Wilson, R. Scott Phillips, Vicki Christian, Roger Addington, Candace Howes, Joanne Brattain, Deborah Snider, Doug Hall, Tracie Sullivan, Holly Coombs.

CONSIDER A SINGLE EVENT PERMIT FOR A BEER GARDEN ON AUGUST 23, 2014 – CEDAR CITY ELKS: Candace Howes – we do this twice a year as a fundraiser for shoes for kids. Paul – is it the same area? Candace – yes, we just put a permanent carport in for people to set and watch. Paul – they have to control the area where it is served and ID people as they go in. Consent

CONSIDER RECOMMENDED ALLOCATIONS FOR FY 2014-2015 RAP TAX (ARTS) – PAUL BITTMENN: Paul – the City Council budgeted \$146,344 for this year, we had 13 applicants, the total request were \$208,855 the committee has met and made recommendations. A copy is attached as Exhibit “A”.

Joanne Brattain, Chair of RAP Arts Committee - we had about 70% of the requested money to spend. Cedar Community Theatre missed the deadline and Suzuki Strings is a new applicant. One thing we as a group were disappointed about TRT money for Shakespeare, we hoped it would free up more money for the other organizations. We request the TRT be done before we meet next year. We want the money to be spent in the community. We value the organizations such as Shakespeare, and artistic outlet like Children's Musical Theatre and Cedar City Music Arts. We want the money to benefit the community. Mayor – I want to say thank you to all the members that serve on the RAP committees. Marchant – Joanne does an excellent job, we had wonderful groups come in, it was a cordial approach and there was respect going both ways. They are to be commended. Black – I couldn't agree with you more to get the TRT squared away, I would like to have the two major players know the amount they are going to get on an annual basis. I shared some information with Staff and Council and was going to make it public, but I have done some rethinking. I had minor tweaks to give the smaller groups more money. The more I thought about it, the committee worked hard so I am not going

to make that recommendation. Rowley – this makes Cedar City what it is, the citizens recognize this and that is why they vote it back in.

Paul – all groups are outside groups, we have a contract they sign, we would like to have approved next week as well, if you approve the form of the contract we will fill in the dollar amounts. Rowley – we received an additional request before the meeting, we want the entities to first seek private donations. Joanne – we agree and have been encouraging the groups to do that. Master Singers and In Jubilo want their concerts to be free, but they now put out donation jars. We investigate a way to have the small groups work together to apply for grants and share costume and sets. The Master of Fine Arts students at SUU, attend a seminar on grants and solicit small organizations of whom to apply for grants, I will supply them the list of groups. Also the Arts Council will conduct a survey to see how many will be interested in sharing resources. Also the prop dept. at Shakespeare and they already share that information. They are looking to make the sets more storable. We are also looking at costumes of visual arts for rent. Rowley – the folks in the Rubik's Cube are they ok. Joanne – at the second meeting he said he thought they would be ok. Marchant – the Master Singers with donation box made over \$3,000 this year. Joanne – we encourage groups to not have this as their sole source of funding. Consent.

CONSIDER RECOMMENDED ALLOCATIONS FOR FY 2014-2015 RAP TAX (PARKS & RECREATION) – PAUL BITTMENN:

Paul – Parks budget \$292,668, requests \$563,056, they had more cutting, you have spread sheets with notes. Main Street Park, Leisure Services requested \$105,000 for a variety of projects, the board recommended \$35,000 and cut down the projects. Mauri Bleazard is the Chair of the Board. Mauri – it is amazing to see the groups and representatives, they work hard to make the City a better place. Black – I have one concern with one item, not specific to the item, but the one with the Wildlife, I have a hard time supporting any project that does not have a completion to the project or funding for the entire project to make sure it happens. To give \$20,000 to move dirt and put pipes in, I want a time frame on when they can complete. I would make the suggestion that until they come in to short funding that the \$20,000 go to Main Street Park or the Trails, Rick informed us today that we had negotiations with Union Pacific, and they want to sell the property back that we donated to them years ago at fair market value. Mauri – that is valid, the reason we voted as we did, there is service and North Elementary wanting to use this. There are people that will support the project. Rowley – is it possible if they have the starter money they can go to other people for money to complete. Mauri – they have other funds and get money from other places. Rowley – can we say you can't use the money if you don't have money to complete the project? Paul – the improvements must be done within one year, we can say we are the last money in. Rowley – can we give them 9 months and if you don't have the money it goes back to the other entities. Paul – we can propose something like that. Martin said they are far along on their designs. Rowley – I am going to their meeting on Friday, can I ask them where they are? Paul – I think they have money to complete this project. Marui – is it done next week? Paul – if we award the money and they say no thanks, it would come back to you. Rowley – can I find out their structure and report back next week. Yes. I don't want to spend \$20,000 and have nothing for it. It would be

a great benefit to have restrooms up there. Cozzens – I agree with John's position on this. I have a question with RAP Tax money from last year, did YETI have money left? Kerry Fain – we are putting sidewalks in right now. Black – thank you for your work.

CONSIDER RFP'S FOR AUDIT ENGAGEMENT SERVICES FOR FISCAL YEARS 2014-2016 – JASON NORRIS:

Jason – we sent out a request for proposals, we had a 3 year agreement with Hinton Burdick that has expired. We met as a committee and reviewed the five proposals that we received. We had criteria and the firm we are recommending is Kimball and Roberts. Rowley – there was a spade of City Treasurer fraud that happened in Washington County a decade ago, I was talking to an auditor and asked why they don't find that and they said that is not their job. I think they should look for that stuff, am I up in the night. Jason – we have to clarify what they are looking for, they are testing receipts, balances, they don't specifically look for fraud, but that is part of the testing procedures. Rowley – do you add to their bid to have them check that? Jason – they would spend additional time. Cozzens – I want to disclose that I have had dealings with Kimball and Roberts with Central Iron County Water Conservancy District and I also have worked with Hinton Burdick with by personal and business taxes. I have concerns with your recommendation. They are about \$7,100 lower on the bid, but I did some research on Hinton Burdick on hours spent in the past and it is average 320 hours and when you took over the reins when Jace left they spent over 420 hours to get you up to speed. I don't think we are bidding apples to apples; they are bidding 180 hours at \$120 per hour and Hinton Burdick is 326 hours at \$80 per hours. Marchant – we are dealing with local entitles, and causes us to take a second look. Jason – Hinton Burdick has done a great job. Cozzens – if you take 326 hours historically and multiply by their rate it is over \$34,000 value. I hope we are not hiring a firm to stamp papers and call it good. Mayor – besides looking at the factors listed, what else did you do to evaluate. Jason – that is it, we have to evaluate and meet the minimum standards and see if they can do the job. We as employees don't determine the standards and the value, we set the minimum qualifications and make recommendations on that. If you feel the value added it is your decision. Our recommendation is on the factors outlined. Mayor – did you speak with any of them? Jason – we did have them clarify a few things including the hours. We are familiar with Hinton Burdick and the hours. Cozzens – do you feel 180 hours will help you? Jason – with the billable hour, that is the proposed rate, we tell all the firms if it is not adequate it is not my problem, they have to do the job and do a thorough audit and do financial statements. If they work more hours we don't pay more. Billable hours is not the cost per hour. Cozzens – what concerns me, they have never done an audit this large. Jason – we asked them and they said they are comfortable. Black – I also set on the Water Conservancy District. If they go over the hours, over the 180 hours they eat the rest. Jason – they can only bill me for 180 hours. Black – in the RFP did we ask for experience on cities our size. We asked structure of firm, size of staff, none of them eliminated Kimball and Roberts. This would be the largest cities. Marchant – what cities have they done? Richfield City, 3 different counties. Rick – the RFP included all the funds we do and the total budget which is \$29 million. Jason did a good job outlining the scope of work. We had 5 proposals and everyone provided various hours. Black – how do you determine the scope of work? Jason – it is a 9 page document of what they have to review and meet. They have staff and CPA's on staff.

They are also have certification with the State and are in good standing. Black – did they say what staff and certifications? Rick – Jason and I asked the current and previous auditor, we used Hinton and Burdick to review scope of work. Rowley – are they going to get half way through and then skimp on their work so we don't get a whole product. Jason – it is possible. Rowley – are we required to take the low bid? Paul – you are to take the lowest responsible bidder. Kimball and Roberts give a lower price, but Hinton Burdick gives a better value. Mayor – can we have a clause if they are not meeting our requirements? Jason – it is a one year agreement with a two year extension. The RFP is from the State Auditor's office. Black – I struggle with the huge variance of hours.

Kay Kimball – I am the Kimball of Kimball & Roberts; we appreciate submitting a proposal in Cedar City. We are a professional CPA firm that has been in business over 40 years. We audit 8 counties and a lot of cities and towns and the standards are set, we will not rubber stamp or short cut, we will do the audit for the price we gave. When we submit a proposal we give our best estimate and do the best on what it will take. We have 3 others join our firm, Gabe Miller from Cedar City and Heather Jorgensen, Gabe acquired my stock and is now an owner, but I still work there. Gabe is the one that suggested that we submit a proposal. We have a peer review every 3 years and passed it every year, the State Auditor audits us and they do not find any problem. We have a CPA firm come in and tell us 3 or 4 audits they want to look at and go over it piece by piece. We will not short cut; we have never had a problem that way. If we get the audit, we will be here, and do the audit and do it for what we bid. We will do a good job; we have a reputation on the line. We feel good about what we submitted. Jason gave us all the information; we know you have a single audit. Mayor – how many people would be working on the audit? Kay – four. Black - would you travel each day? Kay – when we do Enoch City we travel, but it depends, a lot on the. We sometimes work until 7 or 8 at night. It depends on what is going on at home. Black – I have a friendship with Kay that is personal not professional. Mayor – the four individuals, are they seasoned or newer, would they have a lot of experience. Kay – the partner Rick Roberts has 30+ years, Gabe has 1.5 years and Lance Roberts has been working with us about 8 years, he is not a CPA. Fraud is not the intent of the audit, but if we expose it we bring it forward, and we have done that before. Cozzens – do you think you can complete the audit in 180 hours? Kay - Yes. Cozzens - it concerns me that Hinton Burdick say it takes them 320 hours. Kay – we will spend the hours needed. We have audit programs that steps us through, we send confirmations and letters to make sure when we are finished that the financial statements are presented fairly. Mayor – in the document it is similar to what we have received in the past. Yes.

Robert Cox, Hinton Burdick – I appreciate being a resident of Cedar City that you are fiscally responsible. We have 11 employees that live in Cedar City, shop and pay taxes and are a part of the community. I have partners in the governmental auditing since 1974, staff with have multiple years of experience. When it takes us 300 hours, we are not slower than anyone else, there is huge disparity. We do great work, large municipalities, St. George City, governmental auditing has been our niche for many years, it is a different animal and takes a lot of work. We do it right, take the time necessary to do it the correct way. Jason knows we are thorough; Jace wanted us to stick

around because we helped him a lot. \$7,100 difference is very small 2/100 percent of the budget. Marchant – you work off the same standards, what makes the difference in the performance? Robert – if you bid against someone and they want a 1 inch pipe and you know the difference in the thickness of the pipe, you bid on one and the other does not. We know what time it takes to do it and we have history to back it up. Did other larger firms propose? Jason – yes, Hafen Buckner and they proposed less hours and more money. Jason – we felt their hours were low, 60 hours difference. Rick – the other firms had less hours than Hinton Burdick, the average was 210 hours, you throw out the high and low, they had minimal number of hours. Mayor – the hours ran from 124 to 430 hours. Robert – you know we have done it and done a good job, we know what it takes and I would look closely at that. What other municipalities of this size, Richfield is half this size of Cedar. Mayor – how many staff members would you have working on the account? Robert – 4 or 5 depending on the day. Rowley – all CPA's, department and manager, staff and others that are CPA's in the making. We have a tremendous amount of experience. You always have someone in training. Rowley – I would like it on the action agenda so we can look it over more before we make a decision. Robert – hopefully shop local will come through. Rick – we have the local preference and it gives us a range of 5%. This is beyond that. Action.

CONSIDER BIDS FOR THE CEDAR CITY FENCING PROJECT LOCATED AT QUICHAPA WELL #5, QUICHAPA WELL #6, CEDAR CANYON WATER TANK, AND SOUTH INTERCHANGE TRAIL – JONATHAN STATHIS:

Jonathan – we are lumping several fence items together, low is Robison fencing, all bids are within budget. We would recommend awarding the bid without the alternative bid items, the alternate was to remove the old fence from the Cedar Canyon tank, and it was only \$500 so we will leave it. We don't have a security fence in the past. Marchant – why the huge difference. Cozzens – I appreciate Robinson being local and giving us a good price. Consent.

CONSIDER FAA AIRPORT IMPROVEMENT PROJECT AIP-28 GRANT AGREEMENT – RUSS VOLK:

Russ – about 3 or 4 months ago I brought in the grant application for us to make application. The FAA has secured the funding and presented the grant agreement to us in the amount of \$850,000, we don't get the entire amount because we had borrowed money from them. One sticking point is the Mayor has to execute it by August 15th to get the grant. Consent.

CONSIDER DECLARING AS SURPLUS PROPERTY FOR PUBLIC AUCTION THREE VEHICLES CURRENTLY OWNED BY THE IRON/GARFIELD/ BEAVER NARCOTIC TASK FORCE – CHIEF ALLINSON:

Lt. Millett – they have 3 vehicles they have had for several years, 1996 GMC Yukon, it had a cottonwood tree blow on it so it is damaged. There is also a 2004 Dodge Ram and 1992 Honda Prelude with high mileage, 130,000 and 178,000 miles. We want to get them to public auction. Mayor – does the money from the sales go to the Task Force? Lt. Millett – yes. Black – does the money stay in the area? Yes. Jason – I am sure there are some criteria we will have to meet. Rowley – were they seized? Millett – yes and we have used them several years, generally for surveillance or to do controlled buys. Consent.

**CONSIDER A NO PARKING ZONE ON THE SOUTH SIDE OF CROSS
HOLLOWS ROAD WEST OF THE ENTRANCE TO WAL-MART – CHIEF**

ALLINSON: Black – x number of feet from the intersection? Lt. Millet – yes. action.

CONSIDER COOPERATIVE AGREEMENT WITH DESERET INDUSTRIES –

DAN RODGERSON: Dan – They have a new program we want to take advantage of. They have a candidate that has been through training, the DI will pay for the first 6 weeks and hope that we will hire them part-time. Black – what if we don't hire them? Dan – I have 6 janitorial positions, if it proves to be good, we have Golf Course, Parks, Cross Hollows, and we would hire as a hourly position. Quinton Reynolds of the DI – if they don't get hired they go back to the training program. Consent

**CONSIDER DISPOSING OF CITY PROPERTY – ONE PARCEL AT THE
SOUTHWEST CORNER OF U-56 AND CROSS HOLLOW ROAD AND ONE
PARCEL AT AIRPORT CIRCLE – RICK HOLMAN:**

Rick – These are both City owned parcels, ¼ acre on Airport Circle, Cross Hollow Road and U-56 and it is .9 acres. We have been approached by a few on the U-56 property, we have not had any need for the parcel on Airport Circle, it is small. Planning Commission gave a positive recommendation to consider disposing of these. If Council agrees we will put together an RFP. Amerigas has expressed interest for the parcel on U-56. Adams – is the Cross Hollow sign on this piece? Rick – yes and it would be part of the negotiations. Paul – also water lines. Kit – there are easements on both parcels. Rowley – do we put up a sign? Rick – we have interest so we will let them know and if not put up a sign.

DISCUSS EXTENDING THE EXISTING IMPACT FEE RATES – JOHN

BLACK: John – I got thinking about our sunset on the current impact fee, it is due November and a publication notice time also. My feelings are we had reduced it by 15%, I think we have seen good action as recovery from economic; I would like to continue with the 15% but look at the different components. Rowley – are we on a biannually review. Paul – when I looked at the vote from 2011, there was a lot of discussion that in 4 years look at impact fees with an eye for a new study in 5 years. You can do what you want. Black – in the ordinance, or state law, we have developable properties within the City that have sewer, water, and infrastructure, provide service; it would not add other than garbage, can we have a fee for something like that lower than for areas you have to expand? Paul – here is the problem, you can set up different sectors, but the fees have to be spent in that sector, we now have the fees spent city wide. Administratively you would have to spend the money in that area. Rowley – there are lots in the city that do nothing but grow weeds, I would like to see those developed before we bring more in. Cozzens – the problem with that, when we discussed it last night, we were taxed viciously. I work in the construction industry and when I ran for office I was clear what I did for a living. I was clear that I wanted to reduce the impact fee by 50% from 2007. We are replacing sewer lines that are wearing out and that is an impact, I don't think it is fair to not charge the same fee. Me as a cabinet maker and working in the industry and being attacked to lower I think was unfair. I had Dave Morris send me an email saying by keeping them lower I sell more cars and Stacey Bettridge sales more gas. I only do

about 5% of my work in Cedar City. Rowley – I would like to keep them as low as possible without harming the local citizenry. Mayor – do you want the study to wait another year? Cozzens – I am opposed to hiring for a study. Homebuilders have never said they didn't want impact fees. Taz from the State, Kit and others can do the same study. Mayor – would you like staff to start the study within the year? Rowley – the sooner the better. Mayor – do you want staff to start working on this? Rowley – to get an idea of where we are. Rick – we did that for the Homeowners Association a month ago, we talked about the impact fees, system and development improvements, showed the survey and Cedar City is still in the low end of impact fees. About encouraging infill development, another way of addressing that is we initiate an annexation declaration area that is so large we don't encourage others not to infill. A different way of addressing that is look at the annexation declaration area so we don't encourage people to develop in the cheaper property. We could do a better job of encouraging that. Black – I think that is a good start, I would also like staff to look at the different areas of impact fees and get a gut level, is parks and rec too high, look at each. Cozzens – let us know the impact fees we have collected and what we have spent; make sure we are in compliance. Rick – they are based on a capital facilities plan for each area, if parks are something we want to reduce then we reduce the fee. If we want the facilities, streets, etc., it is part of the review. Cozzens – if you look at St. George, they charge a huge fee for water from Lake Powell. Mayor – have you seen the information that Rick presented? Would you like that as a starting point and then we can continue to get the other information. Paul – the council is amendable to keeping the 15% how long? Rowley – until we get new numbers. Black – can we review annually? Adams – we can go longer, I tried to push for that. The previous council made the determination from the study, we made the decision after we figured staff could handle the study in house and that was the ongoing idea that we could do it rather than spend \$30,000 and I think we can, we have had enough experience. Mayor – would you like us to keep it on action meeting? Black – do we need action next week to meet publication timeframe? Paul – if you enact a new impact fee it doesn't take affect for 60 or 90 days, so why not get it taken care of. Adams – does the sunset clause not take care of that? Paul – no, on November 6th it goes back to the old number. Another 2 years? Yes.

Black – can I go back to a previous agenda item?

Black - Do we have an update on Stone Castle Recycling? Rick – I got an email from the State that I will respond to tomorrow and give you an update next week. Black – have we done any inspections or are we required to do? Rick – they have not asked for any inspection, which was part of our criteria for a business license or for them to receive materials. Black – have we seen anything enter the landfill? Rick – no, not to my knowledge.

Rowley – how many more people have received a yellow notice and have we went to the second step? Yes. Black – what if we have an apartment complex? We need a solution if they are private owners. Rick – the HOA would contract for the landscape service. Adams – how do we notify the HOA when it is managed in Salt Lake City? Rick – we give the local apartment manager the notice. Adams – apartments yes, but condo's don't

have a manager on site. Tom Jett – I own a condominium, the tenant called and said they didn't have water pressure, I looked for a water break or something, the landscaper, Matt Platt said there was no water, then it came to mind that the bill had not been paid, he said the City shut the main down because a sprinkler head was going off within the prohibited time. He said they were on their way to turn it back on. The landscaper paid the \$25 fine. It is by the Skate Park, I heard from other people roaming the decks. Rick – was Mr. Platt the landscaper? Tom – I assume. Rick – he understood the reason? Tom – he had contacted the City, I don't know the whole story. Tom there is no manager on site. Mayor – we can send a letter to the landscapers and property manager companies. Black – if you look at a hotel/motel or apartment complex, maybe a little more effort on our part to find someone to give the notice to. Rowley – contact with a real person instead of a hanger. Adams – the HOA's are a problem, I got a call on one today, our water was on a park. They are a problem in knowing who manages the HOA, the water department would not know where to hang the tag.

ADJOURN: Councilmember Marchant moved to adjourn at 7:40 p.m.; second by Councilmember Cozzens; vote unanimous.

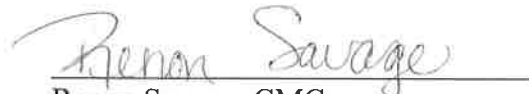

Renon Savage, CMC
City Recorder

EXHIBIT "A"
AUGUST 6, 2014

2014 ARTS RAP TAX ACTION MEETING
RECOMMENDATIONS

<u>NAME OF APPLICANT</u>	<u>Amt. req.</u>	<u>Final</u>	<u>% of request</u>	<u>Comments</u>
Braithwaite Fine Arts Gallery	\$2,000	\$1,700	85%	
Cedar City Arts Council	\$7,500	\$4,000	53%	great changes this year - truly serving as an umbrella org to promote art and artists
Cedar City Children's Musical Theatre	\$12,000	\$8,000	67%	solid growth
Cedar City Junior Ballet	\$11,510	\$7,500	65%	
Cedar City Livestock and Heritage Festival	\$15,000	\$10,000	67%	A unique economic driver
Cedar City Music Arts	\$15,000	\$11,000	73%	
In Jubilo	\$3,500	\$2,750	79%	
Master Singers	\$5,000	\$3,000	60%	
Neil Simon Festival	\$35,000	\$21,500	61%	still concerned about operating in the red; want to see in the black for next year
Orchestra of Southern Utah	\$15,000	\$10,500	70%	
Rubiks Cube Youth Square Dancers	\$2,345	\$1,000	43%	
Suzuki Strings	\$5,000	\$1,500	30%	new this year
Utah Shakespeare Festival	\$80,000	\$63,884	80%	Concern re: TRT. The biggest economic driver - needs continued support
Total	\$208,855	\$146,334	70%	

***TOTAL AMOUNT ALLOCATED TO ARTS IN THE FY '14-'15 BUDGET**
\$146,334

****TOTAL AMOUNT REQUESTED ALL APPLICATIONS**
\$208,855

2014 PARKS AND RECREATION RAP TAX ACTION MEETING RECOMMENDATIONS

NAME OF APPLICANT		Total requested	Total recommended
Cedar City Leisure Services			
Main Street Park	105,000		35000 electrical upgrades, n.w. corner landscape / sign, playground trees/irrigation
Canyon Park	65,000		61000 no money for trash cans
Canyon Ball Fields	85,000		0
total requested	255,000		
Cedar City Lions Club		25,000	25000
Cedar City Trails Commission		100,000	92778
Cedar Ridge Golf Course		20,000	20000
Iron Mission Museum Foundation		12,000	12000
SUU Community Engagement Center		6,247	0
Southwest Wildlife Foundation		100,000	20000 restroom site development
YETI			
Pull power north side	5,000		
air curtain	1,890		
Parking lot Paving	23,000		
lighting adjustments	15,000		
total requested	44,809		26890 air curtain and parking lot pavement
total of all requests	563,056		292668
*total amount budgeted	292,668		#REF!
*total amount requested	563,056		

EXHIBIT "B"
AUGUST 6, 2014